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U.S. DISTRICT COURT
N.D. OF ALABAMA

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

UNITED STATES OF AMERICA)

v.)

CASE NO.)

ROY W. JOHNSON, JR.)

Defendant.)

PLEA AGREEMENT

The United States of America and defendant **ROY W. JOHNSON, JR.**

hereby acknowledge the following plea agreement in this case:

PLEA

The defendant agrees to plead guilty to **COUNTS ONE** through **FIFTEEN** of the Information filed in the above captioned matter. In exchange, the United States Attorney, acting on behalf of the United States and through the undersigned Assistant United States Attorney, agrees to recommend the disposition specified below.

TERMS OF THE AGREEMENT

I. MAXIMUM PUNISHMENT:

The Parties understand that the maximum statutory punishment that may be imposed for the crime of Conspiracy, in violation of Title 18, United States Code, Section 371, as charged in **COUNTS ONE, FOUR, SEVEN, TEN, TWELVE, and THIRTEEN**, is:

- a. Imprisonment for not more than five years;
- b. A fine of not more than \$250,000, or,
- c. Both (a and b);
- d. Supervised release of not more than three years; and
- e. Special Assessment Fee of \$100 per count.

The Parties understand that the maximum statutory punishment that may be imposed for the crime of Bribery, in violation of Title 18, United States Code, Section 666, as charged in **COUNTS TWO, FIVE, EIGHT, ELEVEN, and FOURTEEN**, is:

- a. Imprisonment for not more than ten years;
- b. A fine of not more than \$250,000, or,
- c. Both (a and b);
- d. Supervised release of not more than three years; and

- e. Special Assessment Fee of \$100 per count.

The Parties understand that the maximum statutory punishment that may be imposed for the crime of Obstruction of Justice, in violation of Title 18, United States Code, Section 1512(c)(2), as charged in **COUNT SIX**, is:

- a. Imprisonment for not more than twenty years;
- b. A fine of not more than \$250,000, or,
- c. Both (a and b);
- d. Supervised release of not more than three years; and
- e. Special Assessment Fee of \$100 per count.

The Parties understand that the maximum statutory punishment that may be imposed for the crime of Obstruction of Justice, in violation of Title 18, United States Code, Section 1512(b)(1), as charged in **COUNT NINE**, is:

- a. Imprisonment for not more than ten years;
- b. A fine of not more than \$250,000, or,
- c. Both (a and b);
- d. Supervised release of not more than three years; and
- e. Special Assessment Fee of \$100 per count.

The Parties understand that the maximum statutory punishments that may be imposed for the crime of Money Laundering Conspiracy, in violation of Title 18,

United States Code, Section 1956(h), as charged in **COUNT THREE**, are the same penalties as those prescribed for the offense the commission of which was the object of the conspiracy.

II. FACTUAL BASIS FOR PLEA:

The United States is prepared to prove the following facts at the trial of this case:

The State of Alabama was a state government that received millions of dollars in federal assistance under a federal program involving a grant, contract, subsidy, loan, guarantee or other form of federal assistance during each month of each fiscal year beginning with fiscal year 1998 and continuing through fiscal year 2006.

Through its Board of Education and the Department of Postsecondary Education, the State of Alabama offered education, job training and other programs at more than twenty-five subordinate two-year colleges, technical schools, and other sites around the State. Funding for those colleges and programs was provided by the State of Alabama and other sources, including the federal government.

The State Board of Education appointed the Chancellor of the Department of Postsecondary Education and the Chancellor serves at the pleasure of the Board. The Chancellor functioned as the chief executive officer of the Department of Postsecondary Education. The authority and responsibility for the operation, maintenance, management, control, supervision, regulation, improvement, and enlargement of the institutions subordinate to the Department of Postsecondary Education was vested in the Chancellor, subject to the approval of the State Board of Education.

The President of each subordinate institution within the Department of

Postsecondary Education was appointed by the State Board of Education at the recommendation of the Chancellor and served at the pleasure of the Board. The President of each subordinate institution within the Department of Postsecondary Education was directly responsible and reported to the Chancellor for the day-to-day operation of his or her respective institutions.

The Chancellor was responsible for the administration of and had influence over the recruitment, selection and retention of Presidents for the subordinate institutions within the Department of Postsecondary Education.

As part of their basic responsibilities, the Presidents of the subordinate institution within the Department of Postsecondary Education signed contracts and obligated State funds on behalf of their respective institutions.

The Chancellor had control over substantial discretionary funds that were allocated to the subordinate institutions at his direction. By virtue of his position, the Chancellor could influence the award of contracts and other business to vendors who did business with and sought to do business with Post-Secondary institutions.

ROY W. JOHNSON, JR. served as President of Southern Union State Community College in Opelika, Alabama, from August 1993 until June 2002. Southern Union State Community College was a subordinate institution within the Alabama Department of Postsecondary Education. **JOHNSON** served as Chancellor of the Alabama Department of Postsecondary Education from July 2002 until July 2006.

Tim Turnham and Alabama Contract Sales

Alabama Contract Sales, Incorporated, (ACS) is an Alabama corporation that sold products to state institutions, most of which are schools. ACS sold furnishings, mass seating, and equipment, and provides services associated with these products. **TIMOTHY TURNHAM** was an owner and vice-president of ACS. **TURNHAM** was responsible for the overall operation of the business and was the person who conducted or supervised ACS's business dealings with the Alabama Department of Postsecondary Education during the relevant time period.

ACS has done business with the Alabama Department of Post-Secondary Education, and its subordinate institutions for many years. During the period of time from July 2002 through July 2006, ACS did in excess of \$9,000,000.00 in business with the Department of Post-Secondary Education and its subordinate institutions. The profit to ACS from this business was approximately \$894,674.18.

During these years, **JOHNSON** sought, and **TURNHAM** through ACS provided, significant personal benefits for **JOHNSON** and third parties including but not limited to:

- More than \$16,000.00 worth of window treatments (shutters) for **JOHNSON**'s personal residence in Opelika, Alabama;
- More than \$7000.00 worth of interior decorating services, wall coverings and wall covering installation;
- More than \$3500.00 worth of furniture;
- Free use of ACS employees and equipment (two trucks) to move cabinets to **JOHNSON**'s personal residence in Opelika, Alabama;
- More than \$8000.00 in goods and services (wallpaper, etc.) for **JOHNSON**'s condominium in Gulf Shores, Alabama;
- More than \$1900.00 worth of goods and services for **JOHNSON**'s condominium in the mountains of Tennessee;
- \$4000.00 for **JOHNSON**'s son;
- \$4000.00 for **JOHNSON**'s driver/assistant;
- \$800.00 for **JOHNSON**'s driver/assistant's expenses incurred while working on **JOHNSON**'s mountain condominium;
- \$7500.00 paid by ACS and delivered by **TURNHAM** to a political action committee (PAC) which PAC then returned the funds to **TURNHAM** in the

form of checks made out to a State Board of Education member who was running for Mayor of Huntsville, Alabama, and which checks were then given to **JOHNSON** for delivery to the Board member; and

- More than \$3600.00 in goods and services for a friend of **JOHNSON**'s condominium in the mountains of North Carolina.

In return for these benefits and others, **JOHNSON** used his position to assist ACS in getting contracts and other business with the Department of Postsecondary education and its subordinate institutions. **JOHNSON** requested/directed a number of college presidents to do business with ACS. **JOHNSON** sent discretionary funds to a number of institutions to fund projects that ACS was involved in as a supplier or subcontractor.

At **JOHNSON**'s instructions, TURNHAM included the value of many benefits paid to **JOHNSON** and third parties in ACS invoices to the State of Alabama for various products and services. TURNHAM was reimbursed for the \$7500.00 payment to the PAC for the Board of Education member's political campaign, and for other benefits to be provided to **JOHNSON**. With **JOHNSON**'s permission, TURNHAM on behalf of ACS over-billed in the amount of approximately \$32,000.00 for work done by ACS on the Tuscaloosa Career Center in Tuscaloosa, Alabama.

Shortly after **JOHNSON** was removed from his position as Chancellor in the summer of 2006, **JOHNSON** met with TURNHAM to discuss the services that TURNHAM and ACS had provided at **JOHNSON**'s home. **JOHNSON** received from TURNHAM false cash receipts purporting to document payment from **JOHNSON** to ACS for work done by ACS and subcontractors at the home. **JOHNSON** intended to use these documents to buttress the false story that **JOHNSON** had paid for the services provided. **JOHNSON** did so corruptly for the purpose of obstructing or impeding the ongoing federal grand jury investigation.

Winston Hayes and Access Group

JAMES WINSTON HAYES (HAYES) was the founder and owner of ACCESS Group Software, LLC(ACCESS). ACCESS was located in Walker

County in the Northern District of Alabama. ACCESS sold educational software to, among others, the Alabama Department of Postsecondary Education and its subordinate institutions. ACCESS had contracts or did business with more than twenty-five community colleges and technical schools across the state of Alabama.

During the period from July 2002 and continuing through July 2006, HAYES corruptly gave, offered, and agreed to give things of value to **JOHNSON**. **JOHNSON** received these things of value with the intent of being influenced in connection with numerous contracts and business transactions of the Department of Postsecondary Education worth millions of dollars. **JOHNSON** received things of value including, but not limited to:

- \$122,400.00 to pay costs of a new home **JOHNSON** was building in Opelika, Alabama. HAYES and **JOHNSON** concealed and disguised the nature and source of the money paid to **JOHNSON** by having **JOHNSON**'s driver submit false invoices for consulting to ACCESS. HAYES would pay the false invoices and the driver would pass the money to **JOHNSON** or use it to pay costs for **JOHNSON**'s new home;
- \$23,850.00 for a sound system for **JOHNSON**'s new home;
- \$55,000.00 paid to **JOHNSON**'s son-in-law, at **JOHNSON**'s direction;
- A job for **JOHNSON**'s daughter, whom HAYES hired at **JOHNSON**'s request, which paid her \$25,793.40 over the period of approximately one year. The job was with ACCESS for part-time GED grading at the Department of Postsecondary Education; and
- \$24,418.93 paid by HAYES, at **JOHNSON**'s direction, to the Retirement Systems of Alabama (RSA) on behalf of the Dean of Nursing (Dean) at Southern Union. In order to reimburse HAYES for the \$24,418.93 paid to RSA, **JOHNSON** instructed him to submit a false invoice in the amount of \$48,000.00 to Southern Union for software. **JOHNSON** instructed the president of Southern Union to pay the invoice. HAYES pocketed the excess money to use for his and **JOHNSON**'s benefit in their bribery-kick back scheme.

In return for these and other things of value, **JOHNSON** used his official position to further HAYES/ACCESS business interests with the Department of Postsecondary Education. Among other action he took to benefit HAYES and ACCESS, **JOHNSON**:

- Recommended, suggested, and directed College Presidents to purchase ACCESS products;
- Used his official position to intimidate postsecondary employees - who thought ACCESS was an inferior product - so that they would not resist the purchase and implementation of ACCESS software in postsecondary institutions; and
- Used his official position to direct discretionary funds to a number of institutions to fund projects for ACCESS.

As a result of HAYES' bribing **JOHNSON**, ACCESS's business with the Department of Postsecondary Education and its subordinate institutions increased exponentially from July 2002 until July 2006 totaling more than \$14,000,000.00 in gross income from the Department of Postsecondary Education to ACCESS. The profit to ACCESS from this business was approximately \$5,000,000.00.

With regard to the \$122,400.00 to pay costs of a new home **JOHNSON** was building in Opelika, Alabama, HAYES and **JOHNSON** concealed and disguised the nature and source of the money paid to **JOHNSON** by having **JOHNSON**'s driver submit false invoices for consulting to ACCESS. HAYES paid the false invoices to ACCESS and then the driver would pass the money to **JOHNSON** or use it to pay costs for **JOHNSON**'s new home. In so doing, **JOHNSON** conspired with HAYES to engage in the false invoicing to conceal the bribes he was receiving, which were proceeds of unlawful activity.

After HAYES received a tip from his banker that federal investigators were looking into his finances, **JOHNSON** and HAYES determined that they needed to create a loan document to cover the \$148,250.00 in payments HAYES had made towards **JOHNSON**'s home. **JOHNSON** and HAYES then created a fictitious mortgage to create the false impression they had a legitimate business arrangement and plan for **JOHNSON** to repay the money he had received. **JOHNSON** did so

corruptly for the purpose of obstructing or impeding the ongoing federal grand jury investigation.

Construction Firm in Tuscaloosa County

A Construction Firm with offices in Tuscaloosa County within the Northern District of Alabama provided construction and construction management services to institutions and programs within the Department of Postsecondary Education. During the relevant time period, the Construction Firm was owned by two individuals, one of whom (Owner) was primarily responsible for the relationship with the Department of Postsecondary Education, and dealt directly with **JOHNSON** as Chancellor of the Department of Postsecondary Education, among others.

From July 2002 through July 2006, the Construction Firm did business with the Alabama Department of Post-Secondary Education and its subordinate institutions. **JOHNSON** recommended, suggested, and directed several Presidents of subordinate institutions to do business with the Construction Firm. The Construction Firm received approximately \$4,438,955.67 in payments on contracts for its construction and construction management services.

During that time, the Construction Firm, by and through the Owner, provided financial benefits to **JOHNSON**. The Construction Firm, by and through the Owner, provided these benefits in return for **JOHNSON**'s efforts to have the Department of Postsecondary Education's subordinate institutions do business with the Construction Firm. In exchange for **JOHNSON**'s official acts, the Construction Firm provided the following benefits:

- \$55,101.04 to Brian Stephens Construction Company for construction work at **JOHNSON**'s Opelika home;
- \$19,981.33 to Builders Millwork for doors and windows installed at **JOHNSON**'s Opelika home;
- \$17,203.68 to Cohens Electronics for appliances installed at **JOHNSON**'s Opelika home; and

- \$4000.00 to **JOHNSON**'s son.

JOHNSON directed the Stephens Construction Company working on his Opelika home to invoice the Construction Firm rather than bill **JOHNSON** directly. In this way, **JOHNSON** hid the bribes he was receiving from the Construction Firm. The Construction Firm also gave instructions to Stephens Construction Company to falsely annotate their invoices, so that the Construction Firm could write off the bribes as related to a project for the University of Alabama. In so doing, **JOHNSON** conspired with the Construction Firm to engage in the false invoicing to conceal the bribes he was receiving, which were proceeds of unlawful activity.

In addition, when **JOHNSON** learned that there was an ongoing federal investigation into activities of his and others at the Department of Postsecondary Education, he requested that the Owner of the Construction Firm create a loan document. This purported loan document was intended to support the false story that **JOHNSON** had always intended to pay for the services and items provided. In fact, **JOHNSON** had never expected to pay for these services and items. **JOHNSON** did so corruptly for the purpose of obstructing or impeding the ongoing federal grand jury investigation.

Architectural Firm in Calhoun County

An Architectural Firm with offices in Calhoun County within the Northern District of Alabama sold architectural services to institutions and programs within the Department of Postsecondary Education. During the relevant time period, the Architectural Firm was owned by one individual (Owner), who was responsible for its day to day operation. In conducting or supervising the business of the Architectural Firm with the Department of Postsecondary Education and its subordinate institutions and programs, the Owner dealt directly with **JOHNSON** as Chancellor of the Department of Postsecondary Education, among others.

From July 2002 through July 2006, the Architectural Firm did business with the Alabama Department of Postsecondary Education and its subordinate institutions. **JOHNSON** recommended, suggested, and directed Presidents of subordinate institutions to do business with the Architectural Firm. The Architectural Firm received approximately \$5,750,759.16 in payments on

contracts for its architectural services.

In addition, the Owner of the Architectural Firm, doing business as another company, executed a lease-purchase agreement with Lawson State Community College ("Lawson State") for the construction of a dormitory. Lawson State paid approximately three percentage points more in interest under the terms of the lease-purchase agreement than it would have paid under a traditional bond issue. The monthly payment by Lawson State to the Owner's company was approximately \$43,000.00. **JOHNSON** directed that the Owner's company be used to execute the lease-purchase agreement and that the college suspend its plans to issue a bond to finance the dormitory construction.

During that time, the Architectural Firm, by and through the Owner, provided financial benefits to **JOHNSON**, a member of **JOHNSON**'s family, and a close associate/representative of **JOHNSON** who was employed by the Alabama Department of Postsecondary Education. The Architectural Firm, by and through the Owner, provided these benefits in return for **JOHNSON**'s efforts to have the Department of Postsecondary Education's subordinate institutions do business with the Architectural Firm. In exchange for **JOHNSON**'s official acts, the Architectural Firm provided the following benefits:

- In or about 2003, the Architectural Firm provided free architectural services valued at approximately \$24,000.00 for **JOHNSON**'s house in Opelika, Alabama;
- From in or about November, 2003 to in or about September, 2004, the Architectural Firm and one of the Owner's other corporations, paid approximately \$21,368.60 for fireplaces in **JOHNSON**'s house in Opelika, Alabama; and
- From in or about 2005 to in or about 2006, the Architectural Firm paid one of **JOHNSON**'s family members \$3000.00 a month, for a total of approximately \$30,000.00.

After **JOHNSON** became aware of an ongoing federal investigation into the Postsecondary system, **JOHNSON** asked the Owner of the Architectural Firm to bill him for the architectural services and fireplaces at his Opelika home. This

purported bill was intended to support the false story that **JOHNSON** had always intended to pay for the services and items provided. In fact, **JOHNSON** had never expected to pay for these services and items. **JOHNSON** did so corruptly for the purpose of obstructing or impeding the ongoing federal grand jury investigation.

Agreement with the Executive Director of the Alabama Fire College

While **JOHNSON** was still President of Southern Union, and thereafter while Chancellor, **JOHNSON** agreed with the then-Executive Director of the Alabama Fire College that they would take care of each other's children with employment opportunities in the Postsecondary System, and that their children would not be expected to work.

The Executive Director asked that **JOHNSON** hire his daughter-in-law at Southern Union. **JOHNSON** did not expect the Executive Director's daughter-in-law to work; he knew that she was unable to work. **JOHNSON** arranged to have the daughter-in-law placed under contract at Wallace-Dothan Community College. **JOHNSON**, in turn, asked that his daughter, and later his son, be hired at the Alabama Fire College. **JOHNSON**'s daughter did minimal work at the outset, and then did nothing, but continued under contract at the Alabama Fire College from February 1998 until September 2006. **JOHNSON**'s son did no work during his tenure at the Alabama Fire College from June 2001 through September 2004. **JOHNSON**'s daughter received a total of \$191,746.98; **JOHNSON**'s son received a total of \$164,014.10.

In addition, the Executive Director requested that **JOHNSON** find a job for the Executive Director's friend. The Executive Director wanted his friend to be paid, but not be required to work. **JOHNSON** would have arranged the deal, but was too concerned about an ongoing investigation involving the Alabama Fire College.

JOHNSON's Close Associate and Representative

From the year 2000 through July 2006, various contractors with the Department of Postsecondary Education and its subordinate institutions employed a close associate of **JOHNSON** to assist the contractors in obtaining business and

completing projects. **JOHNSON** used his official position to empower his close associate and made clear that his close associate spoke and acted on his behalf. **JOHNSON** directed that College Presidents use his close associate's services and that Presidents accede to the close associate's requests. Through various relationships with contractors and colleges in the postsecondary system, the close associate's compensation totaled approximately \$1,766,335.88. **JOHNSON** benefitted from the arrangements in the form of cash payments of approximately \$20,000.00 per year.

JOHNSON's Son-in-Law

During his tenure as Chancellor, **JOHNSON** used his official position to recommend, suggest, and direct that his son-in-law be retained as legal counsel at several Postsecondary institutions. **JOHNSON** became aware that the federal grand jury was investigating his son-in-law's legal contracts, and how he received them. In an effort to thwart the investigation, **JOHNSON** met with a two-year College President who had just received a federal grand jury subpoena. **JOHNSON** told the President that the President could not tell the grand jury that **JOHNSON** told him to hire **JOHNSON's** son-in-law. **JOHNSON** directed the President to instead testify falsely that the President had simply run into **JOHNSON's** son-in-law and decided to hire him on his own. **JOHNSON** further directed his driver/assistant to locate a picture of his son-in-law to assist the President in recalling him. **JOHNSON** did so corruptly for the purpose of obstructing or impeding the ongoing federal grand jury investigation.

Board Members and Legislators

While **JOHNSON** was Chancellor of the Alabama Department of Postsecondary Education, **JOHNSON** used his official position to assist the relatives of Members of the State Board of Education obtain employment within the Department of Postsecondary Education. **JOHNSON** provided secret political support to Board Members by directing money and other campaign assistance to them. **JOHNSON** also used his official position to secure and retain employment for legislators within the system. **JOHNSON** used his official position to recommend, suggest, and direct that particular individuals be hired and retained in various positions.

The defendant hereby stipulates that the facts as stated above are substantially correct.


ROY W. JOHNSON, JR.

III. COOPERATION BY DEFENDANT:

The defendant agrees to waive his Fifth Amendment privilege against self-incrimination and to provide **TRUTHFUL AND COMPLETE INFORMATION** to the government concerning any/all aspects of the charged crimes, including, but not limited to, his role/participation in the offenses, as well as the roles taken by and the extent of participation of all other persons involved in these crimes of whom the defendant has knowledge. The defendant agrees to testify against all of these individuals at any time requested by the United States, including, at any state or federal Grand Jury proceeding, forfeiture proceeding, bond hearing, pretrial hearing, trial, retrial, or post-trial hearing. **ALL SUCH INFORMATION AND TESTIMONY SHALL BE TRUTHFUL AND HONEST AND WITH NO KNOWING MATERIAL FALSE STATEMENTS OR OMISSIONS.**

Further, the defendant agrees to provide assistance and cooperation to the United States as defined and directed by the Federal Bureau of Investigation or

any other investigative agency or body as the United States Attorney for the Northern District of Alabama may authorize, which cooperation may include the defendant's periodic submission to a polygraph examination to determine the truthfulness and accuracy of his statements and information.

IV. MOTION PURSUANT TO USSG § 5K1.1 AND/OR 18 U.S.C. § 3553(e):

In the event the defendant provides assistance that rises to the level of "substantial assistance," as that term is used in USSG § 5K1.1, the United States agrees to file a motion requesting a downward departure in the defendant's sentence. Should any of the counts of conviction subject the defendant to a mandatory minimum sentence, the United States may also seek a sentence reduction below said mandatory minimum sentence, by including in its motion a recommendation pursuant to the provisions of 18 U.S.C. § 3553(e). The parties agree that the determination of whether defendant's conduct rises to the level of "substantial assistance" and/or whether defendant's conduct merits consideration under 18 U.S.C. § 3553(e) lies solely in the discretion of the United States Attorney's Office. Furthermore, the parties agree that the decision as to the degree or extent of the downward departure requested, if any, also lies in the sole discretion of the United States.

Should the government move to reduce the defendant's sentence, a motion will be filed prior to the defendant's sentencing hearing and will outline all material assistance which the defendant has provided. The parties clearly understand and acknowledge that because the defendant's plea is being offered in accordance with Rule 11(c)(1)(B), Fed.R.Crim.P., the Court will not be bound by the government's recommendation and may choose not to reduce the sentence at all.

V. RECOMMENDED SENTENCE:

Pursuant to Rule 11(c)(1)(B), Fed.R.Crim.P., the government, **in the absence of "substantial assistance" by the defendant**, will recommend the following disposition:

- (a) That the defendant be awarded an appropriate reduction in the offense level for acceptance of responsibility;
- (b) That the defendant be sentenced within the applicable guideline range; and
- (c) That the defendant pay a special assessment fee of \$1500, said amount due and owing as of the date sentence is pronounced.

VI. WAIVER OF RIGHT TO APPEAL AND POST-CONVICTION

RELIEF:

In consideration of the recommended disposition of this case, I, ROY W. JOHNSON, JR., hereby waive and give up my right to appeal my conviction in this case, as well as any fines, restitution, and/or sentence the court might impose upon me. Further I waive and give up the right to challenge any conviction or sentence imposed or the manner in which the sentence was determined in any collateral attack, including, but not limited to, a motion brought under 28 U.S.C. § 2255, subject to the following limitations:

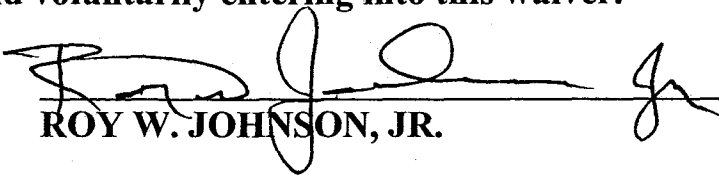
The defendant reserves the right to contest in an appeal or post-conviction proceeding any or all of the following:

- (a) Any sentence imposed in excess of the applicable statutory maximum sentence(s); and**
- (b) Any sentence that constitutes an upward departure from the advisory guideline sentencing range calculated by the court at the time sentence is imposed.**

The defendant acknowledges that before giving up these rights, he discussed the Federal Sentencing Guidelines and their application to case

with Attorney Espy, who explained them to his satisfaction. The defendant further acknowledges and understands that the government retains its right to appeal where authorized by statute.

I, ROY W. JOHNSON, JR., hereby place my signature on the line directly below to signify that I fully understand the foregoing paragraphs, and that I am knowingly and voluntarily entering into this waiver.


ROY W. JOHNSON, JR.

VII. UNITED STATES SENTENCING GUIDELINES:

Counsel has explained to the defendant, that in light of the United States Supreme Court's recent decision in United States v. Booker, the federal sentencing guidelines are advisory in nature. Sentencing is in the court's discretion and is no longer required to be within the guideline range. The defendant agrees that, pursuant to this agreement, the court may use facts it finds by a preponderance of the evidence to reach an advisory guideline range and defendant explicitly waives any right to have those facts found by a jury beyond a reasonable doubt.

VIII. AGREEMENT NOT BINDING ON COURT:

The Parties fully and completely understand and agree that it is the Court's duty to impose sentence upon the defendant and that any sentence recommended by the government is **NOT BINDING UPON THE COURT**, and that the Court need not accept the government's recommendation. Further, the defendant understands that if the Court does not accept the government's recommendation, he does not have the right to withdraw his plea.

IX. VOIDING OF AGREEMENT:

The defendant understands that should he (a) violate any federal, state, or local law after entering into this Plea Agreement, (b) move the Court to accept his plea of guilty in accordance with, or pursuant to, the provisions of North Carolina v. Alford, 400 U.S. 25 (1970), or (c) tender a plea of *nolo contendere* to the charges, the agreement will become NULL and VOID, and the United States will not be bound by any of the terms, conditions, or recommendations, express or implied, which are contained therein.

X. OTHER DISTRICTS AND JURISDICTIONS:

This document DOES NOT BIND any other United States Attorney in any other district, nor does it bind state or local authorities.

XI. TAX, FORFEITURE AND OTHER CIVIL/ADMINISTRATIVE PROCEEDINGS:

Unless otherwise specified herein, the parties understand and acknowledge that this agreement does not apply to or in any way limit any pending or prospective proceedings related to defendant's **tax liabilities**, if any, or to any pending or prospective **forfeiture** or other **civil** or **administrative** proceedings.

XII. OTHER ASSURANCES TO THE DEFENDANT:

As a part of his agreement to plead guilty, the defendant requested assurances from the Government that his family members would not be prosecuted for any of their actions related to the matters investigated by the Government in the Alabama Department of Postsecondary Education. The defendant was told that his family members would not be prosecuted for any matter known to the Government at the time of this agreement.

XIII. DEFENDANT'S UNDERSTANDING:

I have read and understand the provisions of this agreement consisting of seventeen pages. I have discussed the case and my constitutional and other rights with my lawyer. I am satisfied with my lawyer's representation in this case. I understand that by pleading guilty, I will be waiving and giving up my right to continue to plead not guilty, to a trial by jury, to the assistance of counsel at that trial, to confront, cross-examine, or compel the attendance of witnesses, to present evidence in my behalf, to maintain my privilege against self-incrimination, and to the presumption of innocence. I agree to enter my plea as indicated above on the terms and conditions set forth herein.

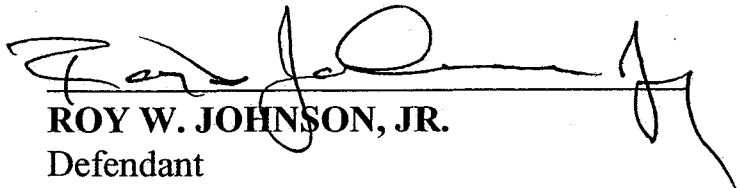
**NO OTHER PROMISES OR REPRESENTATIONS HAVE BEEN
MADE TO ME BY THE PROSECUTOR, OR BY ANYONE ELSE,
NOR HAVE ANY THREATS BEEN MADE OR FORCE USED TO
INDUCE ME TO PLEAD GUILTY.**

I further state that I have not had any drugs, medication, or alcohol within the past 48 hours except as stated hereafter: NA

I understand that this Plea Agreement will take effect and will be binding as to the Parties **only** after all necessary signatures have been affixed hereto.

I have personally and voluntarily placed my initials on every page of this Agreement and have signed the signature line below to indicate I have read and approve all of the previous paragraphs of this Agreement, and understand all of the provisions of this Agreement, both individually and as a total binding agreement.

1/17/08
DATE

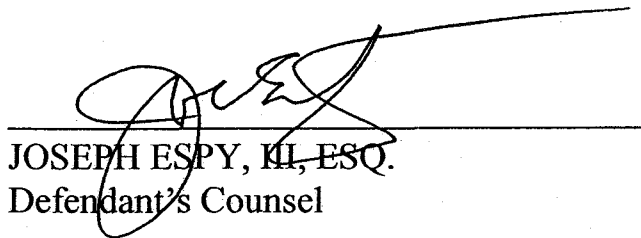


ROY W. JOHNSON, JR.
Defendant

XIV. COUNSEL'S ACKNOWLEDGMENT:

I have discussed this case with my client in detail and have advised him of his rights and all possible defenses. My client has conveyed to me that he understands this Agreement and consents to all its terms. I believe the plea and disposition set forth herein are appropriate under the facts of this case and are in accord with my best judgment. I concur in the entry of the plea as indicated above and on the terms and conditions set forth herein.

1/17/08
DATE



JOSEPH ESPY, III, ESQ.
Defendant's Counsel

XV. GOVERNMENT'S ACKNOWLEDGMENT:

I have reviewed this matter and concur that the plea and disposition set forth herein are appropriate and are in the interests of justice.

ALICE H. MARTIN
United States Attorney

1/17/08
DATE


MILES M. HART
Assistant United States Attorney